

Message Text

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14

ACTION OES-05

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-15 SAM-01 SP-02 SS-15 STR-04 TRSE-00 PA-02 PRS-01

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R 092047Z JAN 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8479

INFO AMCONSUL CALGARY

UNCLAS OTTAWA 0097

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: PETRO-CANADA

1. IN A "RECENT INTERVIEW" REPORTED IN THE MONTREAL GAZETTE OF JAN 6, MAURICE STRONG, PRESIDENT-DESIGNATE OF PETRO-CANADA, "SEES THE POSSIBILITY OF TURNING THE FIRM INTO A FULLY INTEGRATED, MULTINATIONAL CONCERN." WHILE NOTING THAT PETRO-CANADA'S TOP PRIORITY IS EXPLORATION AND DEVELOPMENT OF DOMESTIC OIL RESERVES, STRONG REPORTEDLY SAID THAT THE GOC-OWNED COMPANY MIGHT CONSIDER MOVING INTO REFINING AND MARKETING AS WELL AS EXPLORATION IN OTHER COUNTRIES, STATING THAT "ULTIMATELY IT'S DIFFICULT TO ESCAPE THE ADVANTAGES OF INTEGRATION THAT OTHERS HAVE FOUND." REGARDING EXPLORATION INTERNATIONALLY, STRONG SAID IT "IS SOMETHING WE SHOULD LOOK AT" AND SINCE CANADA IS A MAJOR OIL IMPORTER AND IS EXPECTED TO INCREASE ITS RELIANCE ON FOREIGN OIL IN THE FUTURE "PERHAPS IT MIGHT BE LOGICAL TO OWN SOME OF IT."

2. ACCORDING TO NEWS ACCOUNT, STRONG REJECTS

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SUGGESTIONS THAT PETRO-CANADA MAY BE UNDER-FINANCED

AND DESPITE CURRENT GOC SPENDING RESTRAINTS EXPECTS PETRO-CANADA TO GET \$1.5 BILLION OVER FIVE YEARS AS ORIGINALLY PROMISED. THIS AMOUNT, HE INDICATED, IS IN ADDITION TO OTTAWA'S \$300 MILLION INVESTMENT IN SYNCRUDE WHICH WILL BE TRANSFERRED TO PETRO-CANADA. "OIL IS A BIG MONEY BUSINESS. GOVERNMENT UNDERSTANDS THAT AND IS COMMITTED TO MAKING PETRO-CANADA A MAJOR PRESENCE IN THE INDUSTRY."

3. STRONG ALSO IS REPORTED TO BELIEVE THAT THE GOC SHOULD GIVE PETRO-CANADA A PREFERENCE IN OBTAINING LEASES ON FEDERALLY-OWNED LANDS. JOHNSON

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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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